NGC 14-10

STATE OF NEVADA

BEFORE THE NEVADA GAMING COMMISSION

NEVADA GAMING CONTROL BOARD,

Complainant,

vs.

LAS VEGAS SANDS CORP. (PTC); LAS VEGAS SANDS, LLC, dba VENETIAN CASINO RESORT; VENETIAN CASINO RESORT, LLC,

Respondents.

COMPLAINT

Office of the Attorney General
Gaming Division
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511

The State of Nevada, on relation of its Nevada Gaming Control Board (BOARD), Complainant herein, by and through its counsel, ADAM PAUL LAXALT, Attorney General, and JOHN S. MICHELA, Senior Deputy Attorney General, hereby files this Complaint for disciplinary action against Respondents pursuant to Nevada Revised Statute (NRS) 463.310(2) and alleges as follows:

1. Complainant, BOARD, is an administrative agency of the State of Nevada duly organized and existing under and by virtue of chapter 463 of NRS and is charged with the administration and enforcement of the gaming laws of this state as set forth in Title 41 of NRS and the Regulations of the Nevada Gaming Commission.

2. Respondent LAS VEGAS SANDS CORP. (PTC) (SANDS) is registered with the Nevada Gaming Commission as a publicly traded corporation.

3. SANDS is the sole member of LAS VEGAS SANDS, LLC, dba VENETIAN CASINO RESORT (VENETIAN). VENETIAN holds a nonrestricted gaming license.

4. VENETIAN CASINO RESORT, LLC (LLC) is licensed as a key employee of VENETIAN and as a manufacturer and distributor. LLC is directly owned by VENETIAN and beneficially owned by SANDS.

5. Sands China, Ltd. (SCL) is a SANDS subsidiary that was incorporated in July 2009. SANDS owns 70.1% of the SCL shares.

6. Venetian Macao Ltd. (Venetian Macao) is an SCL subsidiary through which SCL operates in Macao. Prior to the incorporation of SCL, Venetian Macao was a wholly-owned subsidiary of SANDS.

RELEVANT LAW

7. The Nevada Legislature has declared under NRS 463.0129(1) that:

> (a) The gaming industry is vitally important to the economy of the State and the general welfare of the inhabitants.
> (b) The continued growth and success of gaming is dependent upon public confidence and trust that licensed gaming and the manufacture, sale and distribution of gaming devices and associated equipment are conducted honestly and competitively, that establishments which hold restricted and nonrestricted licenses where gaming is conducted and where gambling devices are operated do not unduly impact the quality of life enjoyed by residents of the surrounding neighborhoods, that the rights of the creditors of licensees are protected and that gaming is free from criminal and corruptive elements.
> (c) Public confidence and trust can only be maintained by strict regulation of all persons, locations, practices, associations and activities related to the operation of licensed gaming establishments, the manufacture, sale or distribution of gaming devices and associated equipment and the operation of inter-casino linked systems.

NRS 463.0129(1)(a), (b) and (c).

8. The Nevada Gaming Commission has full and absolute power and authority to limit, condition, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered, found suitable or approved, for any cause deemed reasonable by the Nevada Gaming Commission. *See* NRS 463.1405(4).

9. The BOARD is authorized to observe the conduct of licensees in order to ensure that the gaming operations are not being conducted in an unsuitable manner. *See* NRS 463.1405(1).

10. This continuing obligation is repeated in Nevada Gaming Commission Regulation 5.040, which provides as follows:

> A gaming license is a revocable privilege, and no holder thereof shall be deemed to have acquired any vested rights therein or thereunder. The burden of proving his qualifications to hold any

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> license rests at all times on the licensee. The board is charged by law with the duty of observing the conduct of all licensees to the end that licenses shall not be held by unqualified or disqualified persons or unsuitable persons or persons whose operations are conducted in an unsuitable manner.

Nev. Gaming Comm'n Reg. 5.040.

11. Nevada Gaming Commission Regulation 5.010(2) further provides that "[r]esponsibility for the employment and maintenance of suitable methods of operation rests with the licensee, and willful or persistent use or toleration of methods of operation deemed unsuitable will constitute grounds for license revocation or other disciplinary action." Nev. Gaming Comm'n Reg. 5.010(2).

12. NRS 463.170(8) provides as follows:

> Any person granted a license or found suitable by the Commission shall continue to meet the applicable standards and qualifications set forth in this section and any other qualifications established by the Commission by regulation. The failure to continue to meet such standards and qualifications constitutes grounds for disciplinary action.

NRS 463.170(8).

13. Nevada Gaming Commission Regulation 5.011 states, in relevant part, as follows:

> The board and the commission deem any activity on the part of any licensee, his agents or employees, that is inimical to the public health, safety, morals, good order and general welfare of the people of the State of Nevada, or that would reflect or tend to reflect discredit upon the State of Nevada or the gaming industry, to be an unsuitable method of operation and shall be grounds for disciplinary action by the board and the commission in accordance with the Nevada Gaming Control Act and the regulations of the board and the commission. Without limiting the generality of the foregoing, the following acts or omissions may be determined to be unsuitable methods of operation:
>
> 1. Failure to exercise discretion and sound judgment to prevent incidents which might reflect on the repute of the State of Nevada and act as a detriment to the development of the industry.

Nev. Gaming Comm'n Reg. 5.011(1).

14. Nevada Gaming Commission Regulation 5.030 provides as follows:

> *Violation of any provision of the Nevada Gaming Control Act or of these regulations by a licensee*, his agent or employee *shall be deemed* contrary to the public health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and *grounds for suspension or revocation of a license*. Acceptance of a state gaming license or renewal thereof by a licensee constitutes an

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> agreement on the part of the licensee to be bound by all of the regulations of the commission as the same now are or may hereafter be amended or promulgated. *It is the responsibility of the licensee to keep himself informed of the content of all such regulations, and ignorance thereof will not excuse violations.*

Nev. Gaming Comm'n Reg. 5.030 (emphasis added).

15. Nevada Gaming Commission Regulation 3.080 provides as follows:

> The commission may deny, revoke, suspend, limit, condition, or restrict any registration or finding of suitability or application therefor upon the same grounds as it may take such action with respect to licenses, licensees and licensing; without exclusion of any other grounds. The commission may take such action on the grounds that the registrant or person found suitable is associated with, or controls, or is controlled by, or is under common control with, an unsuitable person.

Nev. Gaming Comm'n Reg. 3.080.

16. NRS 463.641 states:

> If any corporation, partnership, limited partnership, limited-liability company or other business organization holding a license is owned or controlled by a publicly traded corporation subject to the provisions of this chapter, or that publicly traded corporation, does not comply with the laws of this state and the regulations of the Commission, the Commission may in its discretion do any one, all or a combination of the following:
>
> 1. Revoke, limit, condition or suspend the license of the licensee; or
> 2. Fine the persons involved, the licensee or the publicly traded corporation,
>
> ➥ in accordance with the laws of this state and the regulations of the Commission.

NRS 463.641.

BACKGROUND

17. On April 7, 2016, the United States Securities Exchange Commission (SEC) entered an administrative order (Order) setting forth its findings regarding violations of Title 15 of the United States Code section 78m(b)(2)(A) and (B) (ICBR Violations). These sections are commonly referred to as the Books and Records Provision and the Internal Controls Provision of the Foreign Corrupt Practices Act (FCPA).

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18. As part of the Order, the SEC found:

> This matter concerns the failure of [SANDS] to devise and maintain a reasonable system of internal accounting controls over its operations in the People's Republic of China ("PRC" or "China") and the Macao Special Administrative Region of the People's Republic of China ("Macao") from 2006 through at least 2011. As a result, funds totaling more than $62 million were transferred to a consultant[1] in China over a series of transactions under circumstances that frequently lacked supporting documentation or appropriate authorization. Moreover, most of the transfers occurred despite knowledge by senior [SANDS] management that they could not account for significant funds previously transferred to the consultant in an environment where significant bribery risks were present. This lack of controls impacted other transactions, such as gifts and entertainment for foreign officials, employee and vendor expense reimbursements, and customer comps. [SANDS] also kept inaccurate books and records.

(Order 2-3).

19. As part of the Order, the SEC ordered SANDS to pay a civil money penalty in the amount of $9,000,000. (Order 10).

20. As part of the Order, the SEC ordered SANDS to cease and desist from engaging in further ICBR violations and ordered SANDS to retain an independent consultant and abide by certain requirements related thereto. (Order 10-14).

21. As part of the Order, the SEC found that SANDS' conduct "violated the internal controls and books and records of the Foreign Corrupt Practices Act (FCPA)" (collectively, the ICBR Violations) and the SEC described the ICBR Violations as relating to: (1) certain of "[SANDS'] China Operations;" and (2) certain of "[SANDS'] Macao Operations." (*See* Order 3-8).

22. The Order is incorporated by reference into this Complaint and is attached hereto as Exhibit 1.

23. On August 26, 2013, SANDS entered a Nonprosecution Agreement (the Agreement) concerning the VENETIAN's failure to file Suspicious Activity Reports – Casinos . . . .

[1] "The Consultant, LVSC President and Chief Operating Officer, LVSC President of Asian Development (formerly Vice-President of Asian Development), LVSC Senior Director of Finance, LVSC CFO, and members of the SCL Audit Services Group referred to herein are no longer employed or engaged by the company."

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(SARCs) concerning the activities of one of the VENETIAN's patrons, Zhenli Ye Gon. As part of this Agreement, SANDS agreed to "return" $47,400,300 to the United States Treasury.

24. The Agreement is incorporated by reference into this Complaint and is attached hereto as Exhibit 2.

25. The Nevada Gaming Control Act and the Regulations of the Nevada Gaming Commission govern certain activities and conduct of Nevada licensees, regardless of where that conduct occurs and whether it is directly related to gaming. The customer, who was the focus of the Agreement, received credit and made payments at the Respondent's Las Vegas casinos. The now former executives responsible for the circumvention of Respondent's controls, as set forth in the Order, were based in Respondent's Las Vegas headquarters. Thus, the adverse reputational impact of the facts set forth in the Agreement and findings in the Order directly affect Nevada and the Board's strict regulation of gaming in Nevada.

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COUNT ONE
VIOLATION OF
NEVADA GAMING COMMISSION REGULATION 5.011(1)
Books and Records Violations by Foreign Subsidiaries

26. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 25 above.

27. In its Order, the SEC found SANDS hired a "Chinese consultant ("Consultant") to assist [SANDS] with its activities in China." (Order 3-4). In addition,

> The Consultant claimed to be a former Chinese government official and touted his political connections with Chinese government officials as his principle qualification to provide assistance to [SANDS]. With the approval of the [SANDS] President, the Consultant was hired to liaise with governmental bodies, provide advice and assistance with approval processes and to serve as an intermediary or "beard" to obscure [SANDS'] role in certain transactions.

(Order 4).

28. While, in its Order, the SEC found SANDS did conduct due diligence on the Consultant and three of his business entities, the SEC found SANDS did not conduct due

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diligence on at least seven businesses associated with the Consultant to which SANDS transferred funds. (Order 4).

29. In its Order, the SEC found SANDS established several wholly foreign-owned entities (WFOEs) to "facilitate business development activities in China;" found SANDS "used intercompany transfers to fund the WFOE operations but failed to implement a system of internal financial controls over their operations;" and found accounting policies were not adopted by these WFOEs. (Order 3).

30. In its Order, the SEC found:

> In early 2007, the [SANDS'] President sought to purchase a professional basketball team in China, with the purported purpose being to improve [SANDS'] image in China and to bring customers to the casinos because the team could play in the Venetian Macao's sports arena. The team would wear jerseys with an image of a gold lion, which was the symbol of the Venetian Macao Casino. As the team could not put the name of a gaming company on the jerseys, the team was named "Wei Li Xin," which translates to "good fortune" and sounds like "Venetian" when pronounced in Chinese. No research or marketing analysis was ever done in connection with the basketball team.

(Order 4).

31. In its Order, the SEC found:

> The Chinese Basketball Association ("CBA"), which falls under the PRC State General Administration of Sports (which in turn is organized directly under the State Council of the PRC), would not permit a gaming company to own a league team, and thus neither [SANDS] nor its relevant subsidiaries could purchase a team. Instead, the Consultant was used as a "beard" to buy the team, and [SANDS] entered into what was ostensibly a sponsorship agreement for the team.

Id.

32. In its Order, the SEC found:

> In September 2007, [a SANDS] Senior Director of Finance . . . raised concerns about the basketball transaction to the CFO of [SANDS]. Of particular concern was the repeated transfer of funds to the Consultant without any supporting documentation for the the team's need for or use of the funds. The [SANDS] Senior Director of Finance had also learned from a former employee of the Consultant that the Consultant had used [SANDS] funds to make a payment to a senior CBA official in connection with the Wei Li Xin team.

Id.

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33. In its Order, the SEC found:

> Due to lack of accountability of funds provided to the Consultant, in late 2007 [SANDS] engaged an international accounting firm ("the firm") to review the basketball transaction. When the firm was instructed to cease its investigation in February 2008, it had already identified over $700,000 in unaccounted for funds that had been transferred to the Consultant. Nonetheless, more than $5 million in additional payments were subsequently made to the Consultant ostensibly in connection with the basketball team.

(Order 5).

34. In its Order, the SEC found:

> Within this lax control environment, payments to the Consultant were also falsely recorded in [SANDS'] books and records. For example, in September 2008, approximately $1.5 million was transferred to one of the Consultant's entities upon the request of an employee who initially stated that the payment was for "bank charges and loan." The employee subsequently said that the Consultant was actually using the funds to set up a network of state-owned enterprise ("SOE") travel agencies that would promote the Venetian Macao. No invoice or supporting documentation was received in connection with this payment, and it was booked as a consultancy fee.

Id.

35. In its Order, the SEC found:

> In total, between March 2007 and January 2009, pursuant to a series of sponsorship and advertising contracts, approximately $14.8 million was paid to the Consultant in connection with the basketball team. Over one-third of these funds were paid after the firm had identified significant unaccounted for funds, and approximately $6.9 million was transferred without appropriate authorization or supporting documentation.

Id.

36. In its Order, the SEC found: beginning in 2006, SANDS, through its then (and now former) President, looked into developing a non-gaming resort on Hengqin Island; found such resort would need approvals from various Chinese governmental entities; found to facilitate these approvals, SANDS partnered with the chairman of a state-owned enterprise (SOE) who "was believed to have particular influence in connection with Hengqin, and who was introduced to [SANDS] by the same Consultant used for the basketball team." (Order 5-6).

. . . .

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37. In its Order, the SEC found SANDS initially intended to enter a joint venture with the SOE "and to buy portions of a building in Beijing . . . from the SOE. . . . As part of the joint venture, SOE agreed to help [SANDS] develop Hengqin." (Order 6). It was determined that the building would be developed as a business center and designated the Adelson Center. *Id.*

38. In its Order, the SEC found:

> No research or analysis was done to determine whether a need existed for such a business center, the amount of any profit or loss it was likely to generate, or whether it would do anything to improve [SANDS'] image in China. Numerous employees were concerned that the purchase of the real estate was solely for political purposes. Nevertheless, between July 2007 and February 2008, approximately $43 million was transferred to one of the Consultant's entities for the purchase of the real estate. None of the payments was approved by [a SANDS] employee with sufficient authorization to approve the amounts paid. In addition, [SANDS] spent approximately $14 million on renovation and miscellaneous expenses. Of these payments, approximately $13.7 million lacked appropriate authorization.

Id.

39. In its Order, the SEC found:

> For all relevant periods, the Beijing building was managed by a property manager affiliated with the SOE. Nonetheless, between November 2008 and July 2009, approximately $900,000 in purported property management fees were paid to an entity controlled by the Consultant. No property management services were provided by the Consultant's entity, but the payments were recorded in [SANDS'] books and records as property management fees.

(Order 7).

40. In its Order, the SEC found:

> In April 2008, approximately $1.4 million was paid to an entity associated with the Consultant, which was recorded in [SANDS'] books and records as "arts and crafts." In February 2009, [a SANDS] accountant raised questions about the payment, because the entity had not obtained any artwork for the Adelson Center. The accountant was told by the [SANDS] President of Asian Development that the payment actually related to Hengqin Island. No adjustment was made to how the payment was recorded.

Id.

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41. In its Order, the SEC found the Adelson Center was eventually shuttered and SANDS "transferred approximately $61 million in connection with the real estate transaction and ultimately received approximately $44 million in settlement from the Consultant." *Id.*

42. In its Order, the SEC found SANDS employees selected a ferry service to transport customers to Macao from China and Hong Kong which SANDS' then President stated would be politically advantageous to SANDS. (Order 7).

43. In its Order, the SEC found SANDS "had policies and procedures in place at [the Venetian Macao] regarding purchasing, but they were not enforced. Employees were able to use cash advances and expense reimbursements to circumvent those policies and procedures." (Order 8).

44. SANDS held a controlling beneficial interest or wholly owned the Venetian Macao at all times relevant hereto.

45. In its Order, the SEC found SANDS had no controls in place with regard to the Venetian Macao "to ensure legal engagements were consistent with the FCPA." *Id.*

46. In its Order, the SEC found SANDS recorded the reimbursement of an unpaid consultant "as a reimbursement of legal expenses, despite the lack of documentation." *Id.*

47. In its Order, the SEC found SANDS did not ensure Venetian Macau recorded "comp recipients' names, which resulted in an inability to track or audit comps. In particular, this precluded the identification of comp recipients who were government officials or Politically Exposed Persons ('PEPs')." *Id.*

48. In its Order, the SEC found SANDS' actions as described above violated the Books and Records provision of the FCPA and the Internal Controls provision of the FCPA. (Order 9).

49. Each of the actions set out in this count, by themselves and/or in conjunction with the actions contained in this count, reflect "on the repute of the State of Nevada and acts as a detriment to the development of the industry." Nev. Gaming Comm'n Reg. 5.011(1).

50. Each of SANDS' acts and failures to act as set out above, by themselves and/or in conjunction with the other acts or failures to act as set out in this count and the other counts of

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this Complaint, are separate violations of Nevada Gaming Commission Regulation 5.011(1). This constituted an unsuitable method of operation, and, as such, is grounds for disciplinary action.

COUNT TWO
VIOLATION OF
NEVADA GAMING COMMISSION REGULATION 5.011(1)
VENETIAN

51. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 50 above.

52. Pursuant to the Agreement, the United States Attorney's Office would "not bring any criminal or civil case against Las Vegas Sands Corp. . . . or any of its present or former parents, subsidiaries, affiliates, officers, directors, employees, or agents . . . for any acts . . . related to violations of 18 U.S.C. § 371: Conspiracy to Fail to File Suspicious Activity Reports by Casinos and 31 U.S.C. § 5318(a), 5322(a): Failure to File Suspicious Activity Reports by Casinos, based on the facts set forth in Attachment A" of the Agreement. (Agreement 1).

53. The Agreement stated "[i]t is understood that [SANDS] accepts and acknowledges responsibility for the conduct of its employees as set forth in Attachment A." (Agreement 2).

54. The Agreement stated "[i]t is understood that [SANDS] has voluntarily agreed to return the sum of $47,400,300 to the United States Treasury, which represents funds accepted by [SANDS] from or on behalf of Zhenli Ye Gon." (Agreement 3).

55. Zhenli Ye Gon (Ye Gon) was a high stakes patron of VENETIAN between approximately February of 2005 and April of 2007. The Agreement stated that Ye Gon was VENETIAN's "largest all cash up front gambler ever" at the end of 2006 and in early 2007. (Agreement, Att. A 4).

56. The Agreement stated that while a patron of VENETIAN, Ye Gon lost approximately $90,125,357 and of the loss, VENETIAN wrote off as bad debt approximately $36,504,300. (Agreement, Att. A 6).

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57. On March 16, 2007, media reported a law enforcement raid on Ye Gon's home in Mexico City and that law enforcement seized approximately $207,000,000 as part of the raid. Media reports also stated that Ye Gon was linked to international drug trafficking.

58. VENETIAN is required to file a Casino Suspicious Activity Report (SARC) with the Financial Crimes Enforcement Network (FinCEN) when it knows, suspects, or has reason to suspect a transaction involves funds derived from illegal activity, a transaction is structured to evade reporting or record-keeping requirements, a transaction cannot be reasonably explained after a casino examines the available facts, or a transaction involves the use of the casino to facilitate criminal activity.

59. The Agreement stated that VENETIAN did not file a SARC with FinCEN concerning Ye Gon's transactions until April 18, 2007. (Agreement, Att. A 14).

60. The Agreement stated that VENETIAN's April 18, 2007 SARC concerning Ye Gon's transactions did not disclose to FinCEN that Ye Gon had lost over $90,000,000 to VENETIAN, that Ye Gon used Mexican casas de cambios to transfer 90 percent of the cash received by VENETIAN from Ye Gon, that Ye Gon told employees of VENETIAN he preferred the government not know about the transfers, that VENETIAN made the account of a non-gaming subsidiary available to Ye Gon so he could transfer funds to the account for gaming purposes, that the transfers from Ye Gon were often from companies with no known association with Ye Gon, that the transfers often involved the use of several wire transfers in a single day, that the transfers often failed to identify Ye Gon as the beneficiary, and that VENETIAN took approximately $4,200,000 on deposit by Ye Gon as a credit against the approximately $40,000,000 owed to VENETIAN by Ye Gon. (Agreement, Att. A 14-15).

61. The Agreement stated that:

> The USAO also believes that after October 19, 2006 the compliance personnel at the Venetian-Palazzo did not:
> a. adequately investigate Ye Gon, his respective companies, or his source(s) of funds;
> b. conduct an appropriate deposit pattern analysis of incoming front money deposits and marker payments by Ye Gon and failed to understand and appreciate the layered manner in which Ye Gon wire transferred his funds;
> c. attach appropriate suspicion, if any, to Ye Gon's use of multiple third-party fund sources;

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d. attach appropriate suspicion, if any, to Ye Gon's use of multiple casas de cambios;

e. attach appropriate suspicion, if any, to the fact that the Venetian's internal due diligence investigations could not link Ye Gon to nearly all of the companies he professed to own and/or control which originated wire transfers of funds to the Venetian;

f. attach appropriate suspicion, if any, to Ye Gon making multiple wires on the same day or consecutive days, and his failing to identify himself on the wires as the beneficiary, which continued even after the Venetian expressed concern and the Venetian's Finance Department complained that it was difficult to associate certain wire transfers with Ye Gon's patron account;

g. attach appropriate suspicion, if any, to Ye Gon originating payments in Mexico and routing them through the Venetian's Hong Kong subsidiaries for final credit at the Venetian casino in Las Vegas;

h. conduct appropriate diligence into the reason for requests to use a non-casino-name account (which accounts are commonly used in the industry to protect patron privacy and which accounts have been approved for such use by some gaming regulators); or

i. attach appropriate suspicion if any, to requests to use a non-casino-name account.

(Agreement, Att. A 2-3).

62. In the Agreement, VENETIAN acknowledged it, "in hindsight . . . failed to fully appreciate the suspicious nature of the information or lack thereof pertaining to Ye Gon in the context of the Venetian's evaluation of whether to file additional SARCs against him earlier and in retrospect should have filed SARCs earlier, and should have filed a more complete SARC when it did file one." (Agreement, Att. A 3-4).

63. The facts set forth in Attachment A to the Agreement were reported by media outlets, which reflect "on the repute of the State of Nevada and acts as a detriment to the development of the industry." Nev. Gaming Comm'n Reg. 5.011(1).

64. Each of SANDS' and VENETIAN's acts and failures to act as set out above are violations of Nevada Gaming Commission Regulation 5.011(1). This constituted an unsuitable method of operation, and, as such, is grounds for disciplinary action.

WHEREFORE, based upon the allegations contained herein which constitute reasonable cause for disciplinary action against Respondents, pursuant to NRS 463.310, and . . . .

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Nevada Gaming Commission Regulation 5, the NEVADA GAMING CONTROL BOARD prays for the relief as follows:

1. That the Nevada Gaming Commission serve a copy of this Complaint on Respondents pursuant to NRS 463.312(2);

2. That the Nevada Gaming Commission fine Respondents a monetary sum pursuant to the parameters defined at NRS 463.310(4) for each separate violation of the provisions of the Nevada Gaming Control Act or the Regulations of the Nevada Gaming Commission;

3. That the Nevada Gaming Commission take action against Respondents' license or licenses pursuant to the parameters defined in NRS 463.310(4); and

4. For such other and further relief as the Nevada Gaming Commission may deem just and proper.

DATED this 11th day of May, 2016.

NEVADA GAMING CONTROL BOARD

A.G. BURNETT, Chairman

SHAWN R. REID, Member

TERRY JOHNSON, Member

Submitted by:

ADAM PAUL LAXALT
Attorney General

By: _____
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Senior Deputy Attorney General
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4. For such other and further relief as the Nevada Gaming Commission may deem just and proper.

DATED this 11th day of May, 2016.

NEVADA GAMING CONTROL BOARD

A.G. BURNETT, Chairman

SHAWN R. REID, Member

TERRY JOHNSON, Member

Submitted by:

ADAM PAUL LAXALT
Attorney General

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DATED this 11th day of May, 2016.

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A.G. BURNETT, Chairman

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Submitted by:

ADAM PAUL LAXALT
Attorney General

By: _____
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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 77555 / April 7, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17204

In the Matter of LAS VEGAS SANDS CORP., Respondent.	ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against Las Vegas Sands Corp. ("LVSC," "the company," or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

Exhibit 1

Respondent

1. **Las Vegas Sands Corp.**, based in Las Vegas, Nevada, was incorporated as a Nevada corporation in August 2004. LVSC owns and operates integrated resorts and casinos in Asia and the United States through a network of subsidiaries. The company's common stock is registered under Section 12(g) of the Exchange Act, and it is traded on the New York Stock Exchange (the "NYSE") under the symbol "LVS."

OTHER RELEVANT ENTITIES

2. Sands China Ltd. ("SCL") is an LVSC subsidiary that was incorporated in the Cayman Islands in July 2009. Since November 2009, shares of SCL have been traded on the Hong Kong Stock Exchange (Stock Code: 1928). LVSC owns 70.1% of the shares.

3. Venetian Macao Ltd. (VML) is an SCL subsidiary through which SCL operates in Macao. Prior to the incorporation of SCL, VML was a wholly-owned subsidiary of LVSC.

4. Venetian (Zhuhai Hengqin) Hotel Co. Ltd. ("VHQ"), is an LVSC subsidiary that is a wholly foreign-owned entity ("WFOE") established under Chinese law in February 2007. The business scope of VHQ was the construction and development of hotel and ancillary facilities, hotel management, and related consulting services.

5. Venetian (Zhuhai) Hotel Marketing Co. Ltd. ("VHM"), is an LVSC subsidiary that is a WFOE established under Chinese law in October 2007. When formed, the business scope of VHM was hotel management, marketing, and consulting services for convention and exhibition. In March 2008, among other services, ferry services were added to the business scope of VHM.

6. Beijing Asia Travel Alliance Business Consulting Co., Ltd. ("BATA"), is an LVSC subsidiary that is a WFOE established under Chinese law in July 2008. When formed, the business scope of BATA was hotel management, corporate image planning, and information consulting. In November 2008, its business scope was expanded to include advertising, sports agency business, investment management and consulting, financial planning, and property management.

Summary

7. This matter concerns the failure of LVSC to devise and maintain a reasonable system of internal accounting controls over its operations in the People's Republic of China ("PRC" or "China") and the Macao Special Administrative Region of the People's Republic of China ("Macao") from 2006 through at least 2011. As a result, funds totaling more than $62 million were transferred to a consultant[1] in China over a series of transactions under

[1] The Consultant, LVSC President and Chief Operating Officer, LVSC President of Asian Development (formerly Vice-President of Asian Development), LVSC Senior Director of Finance, LVSC CFO, and members of the SCL Audit Services Group referred to herein are no longer employed or engaged by the company.

circumstances that frequently lacked supporting documentation or appropriate authorization. Moreover, most of the transfers occurred despite knowledge by senior LVSC management that they could not account for significant funds previously transferred to the consultant in an environment where significant bribery risks were present. This lack of controls impacted other transactions, such as gifts and entertainment for foreign officials, employee and vendor expense reimbursements, and customer comps. The company also kept inaccurate books and records.

8. As a result of this conduct, LVSC violated the internal controls and books and records provisions of the Foreign Corrupt Practices Act ("FCPA").

Background

9. Macao was a Portuguese colony until December 20, 1999, when Portugal transferred control of Macao to China. While casino gambling is not legal in China, it is legal in Macao. In 2002, the Macao government granted gaming concessions to casino and hotel developers.

10. LVSC conducted business in Macao through VML until November 2009, when it issued an initial public offering ("IPO") for SCL, a public company that is listed on the Hong Kong Stock Exchange. Through SCL, LVSC owns and operates casinos, hotels, convention facilities, retail space, and a 15,000-seat sports arena in Macao. Until March of 2009, LVSC's operations in Macao and China were overseen by its President and Chief Operating Officer ("President"), who worked in close concert with LVSC's President of Asian Development.

LVSC's China Operations

11. In addition to operating in Macao, LVSC also sought to establish operations in China. Certain LVSC executives, including its President, were particularly interested in development opportunities on Hengqin Island, which is part of Zhuhai in southern China and close to Macao.

12. To facilitate business development activities in China, LVSC established VHQ, VHM and BATA. As WFOEs, these entities are permitted to conduct only business in China that fell within their prescribed business scope. LVSC used intercompany transfers to fund the WFOE operations but failed to implement a system of internal financial controls over their operations.

13. While the WFOEs were governed according to general articles of association as required by Chinese law, the articles of association do not specify accounting policies and procedures and none were adopted by the WFOEs when established. In the absence of their own policies and procedures, accounting staff at the WFOEs inconsistently applied certain of VML's accounting policies with regard to their operations.

14. As a gaming company, LVSC was subject to significant restrictions on its ability to advertise its casinos or to own assets in China.

15. In 2006, the LVSC President of Asian Development (who was then Vice-President of Asian Development) identified a Chinese consultant ("Consultant") to assist the company with

its activities in China. The Consultant claimed to be a former Chinese government official and touted his political connections with Chinese government officials as his principle qualification to provide assistance to LVSC. With the approval of the LVSC President, the Consultant was hired to liaise with governmental bodies, provide advice and assistance with approval processes and to serve as an intermediary or "beard" to obscure LVSC's role in certain transactions.

16. The Consultant established numerous business entities in China, which he frequently used interchangeably for his interactions with LVSC. In 2007, after the Consultant had been engaged and several payments had been made to him, the company conducted due diligence on him and three of his business entities. The company did not, however, conduct due diligence on at least seven other businesses associated with the Consultant and to which LVSC transferred funds.

A. The Basketball Team

17. In early 2007, the LVSC President sought to purchase a professional basketball team in China, with the purported purpose being to improve LVSC's image in China and to bring customers to the casinos because the team could play in the Venetian Macao's sports arena. The team would wear jerseys with an image of a gold lion, which was the symbol of the Venetian Macao Casino. As the team could not put the name of a gaming company on the jerseys, the team was named "Wei Li Xin," which translates to "good fortune" and sounds like "Venetian" when pronounced in Chinese. No research or marketing analysis was ever done in connection with the basketball team.

18. The Chinese Basketball Association ("CBA"), which falls under the PRC State General Administration of Sports (which in turn is organized directly under the State Council of the PRC), would not permit a gaming company to own a league team, and thus neither LVSC nor its relevant subsidiaries could purchase a team. Instead, the Consultant was used as a "beard" to buy the team, and the company entered into what was ostensibly a sponsorship agreement for the team.

19. The Consultant established an entity called Shenzhen Wei Li Xin to purchase and own the team. In March 2007, an LVSC subsidiary entered into a promissory note agreement with a separate entity associated with the Consultant. Subsequently, approximately $6,072,400 was transferred from the VHQ WFOE to Shenzhen Wei Li Xin, though neither entity was a party to the promissory note agreement.

20. In September 2007, an LVSC Senior Director of Finance (who also served as a VML Director of Finance) raised concerns about the basketball transaction to the CFO of LVSC. Of particular concern was the repeated transfer of funds to the Consultant without any supporting documentation for the team's need for or use of the funds. The LVSC Senior Director of Finance had also learned from a former employee of the Consultant that the Consultant had used LVSC funds to make a payment to a senior CBA official in connection with the Wei Li Xin team.

21. While the CFO instructed the Senior Director of Finance to conduct financial due diligence on the team, including a review of the team's books and its players' contracts, the

Consultant would not permit an on-site review. Instead, the Consultant had another of his employees pretend that he worked for the team and present a handwritten list of the team's expenses, which the LVSC Senior Director of Finance found to be facially unreliable. Within months, the President of LVSC arranged to have the LVSC Senior Director of Finance placed on administrative leave and eventually terminated. Meanwhile, the LVSC President approved the ongoing payments to the Consultant, which were made through the VHQ and VHM WFOEs.

22. Referencing his concerns about the fact that the promissory agreement was with an entity that was different than the entity that received LVSC funds, the inability of LVSC to track the funds that it had transferred to the Consultant, and the lack of recourse should the Consultant fail to purchase the team, the CFO wrote in October 2007, "My . . . concern is how to deal with this from a Sarbanes-Oxley perspective. The manner in which this has transpired is not indicative of a sound control environment. This will be exacerbated by any write-off we would have to take as that will call into question our ability to safeguard assets."

23. Due to lack of accountability of funds provided to the Consultant, in late 2007 the company engaged an international accounting firm ("the firm") to review the basketball transaction. When the firm was instructed to cease its investigation in February 2008, it had already identified over $700,000 in unaccounted for funds that had been transferred to the Consultant. Nonetheless, more than $5 million in additional payments were subsequently made to the Consultant ostensibly in connection with the basketball team.

24. Within this lax control environment, payments to the Consultant were also falsely recorded in the company's books and records. For example, in September 2008, approximately $1.5 million was transferred to one of the Consultant's entities upon the request of an employee who initially stated that the payment was for "bank charges and loan." The employee subsequently said that the Consultant was actually using the funds to set up a network of state-owned enterprise ("SOE") travel agencies that would promote the Venetian Macao. No invoice or supporting documentation was received in connection with this payment, and it was booked as a consultancy fee.

25. In total, between March 2007 and January 2009, pursuant to a series of sponsorship and advertising contracts, approximately $14.8 million was paid to the Consultant in connection with the basketball team. Over one-third of these funds were paid after the firm had identified significant unaccounted for funds, and approximately $6.9 million was transferred without appropriate authorization or supporting documentation.

B. The Adelson Center

26. Beginning in 2006, the LVSC President looked to develop a non-gaming resort on Hengqin Island, a new resort district in China. Any such development would need the approval of various governmental entities, and the President believed that partnering with a Chinese company would improve LVSC's chances of receiving the needed approvals.

27. As part of pursuing this strategy, only one Chinese company was considered as a partner – an SOE whose Chairman was believed to have particular influence in connection with

Hengqin, and who was introduced to the company by the same Consultant used for the basketball team.

28. The partnership was initially designed as a joint venture between the SOE and LVSC. In December 2006, LVSC signed a letter of intent with the SOE to establish a joint venture and to buy portions of a building in Beijing ("real estate" or "property") from the SOE for approximately $42 million. As part of the joint venture, SOE agreed to help LVSC develop Hengqin. However, the SOE Chairman and/or Consultant stated that a "beard" would be needed as the SOE board would not approve a direct relationship with a gaming company. LVSC initially tried to arrange for a U.S.-based entity to invest on its behalf as a "beard," but the joint-venture deal eventually collapsed.

29. Instead of a joint venture, the LVSC President authorized using the Consultant as a "beard" to purchase the Beijing building from the SOE. The real estate itself consisted of conference rooms, office space, 55 apartments, and a two-level basement, all of which were largely unfinished. An initial independent appraisal valued the property more than 10% below the agreed-upon purchase price, but a second appraisal was obtained suggesting the value was slightly above the purchase price.

30. Little or no thought appears to have been given by LVSC to a purchase of the building in advance, but ultimately the LVSC President determined that the property would be named after the company's founder and CEO, and that it would be developed as a business center to help U.S. companies seeking to do business in China. He also planned to set up a high-end "men's club" in the basement. The "Adelson Center" was scheduled to open in August 2008, during the Beijing Olympics, and in February 2008 the LVSC CEO sent a letter to the President of the United States, inviting him to attend the ribbon-cutting ceremony.

31. No research or analysis was done to determine whether a need existed for such a business center, the amount of any profit or loss it was likely to generate, or whether it would do anything to improve LVSC's image in China. Numerous employees were concerned that the purchase of the real estate was solely for political purposes. Nevertheless, between July 2007 and February 2008, approximately $43 million was transferred to one of the Consultant's entities for the purchase of the real estate. None of the payments was approved by an LVSC employee with sufficient authorization to approve the amounts paid. In addition, LVSC spent approximately $14 million on renovation and miscellaneous expenses. Of these payments, approximately $13.7 million lacked appropriate authorization.

32. In August 2007, LVSC employees learned that, contrary to their understanding, the basement of the building was not part of the real estate purchased by the Consultant, as the SOE had never obtained a title for the basement. The Consultant informed them that it would be very difficult and costly to obtain a title for the basement, but that he could obtain one if he was given approximately $1.4 million. The Consultant proposed leasing the basement to the company if it would prepay the rent for a period of years.

33. While significant concerns were raised that the Consultant intended to obtain the basement title by making improper payments to government officials, the company proceeded to

lease the basement from the Consultant. No documentation was obtained demonstrating that the Consultant had obtained the title legally or that his entity had actually purchased the basement from the SOE. On April 9, 2008, approximately $3.6 million was wired to an entity affiliated with the Consultant as a prepayment for a five-year lease of the basement. The CFO of LVSC approved the payment, even though it exceeded his approval limit.

34. For all relevant periods, the Beijing building was managed by a property manager affiliated with the SOE. Nonetheless, between November 2008 and July 2009, approximately $900,000 in purported property management fees were paid to an entity controlled by the Consultant. No property management services were provided by the Consultant's entity, but the payments were recorded in the company's books and records as property management fees.

35. In April 2008, approximately $1.4 million was paid to an entity associated with the Consultant, which was recorded in the company's books and records as "arts and crafts." In February 2009, an LVSC accountant raised questions about the payment, because the entity had not obtained any artwork for the Adelson Center. The accountant was told by the LVSC President of Asian Development that the payment actually related to Hengqin Island. No adjustment was made to how the payment was recorded.

36. In July 2008, pursuant to a series of contracts, the Consultant transferred control to LVSC of the shares of his entity that owned the real estate. In September 2008, the LVSC President of Asian Development signed contracts that cancelled the transfer of shares from the Consultant's entity and agreed to receive in exchange from the Consultant a promissory note for approximately $43 million. This transaction far exceeded his authority. At or around the same time, a decision was made to shutter the Adelson Center project. In total, the company transferred approximately $61 million in connection with the real estate transaction and ultimately received approximately $44 million in settlement from the Consultant.

LVSC's Macao Operations

37. In 2007, LVSC set up a high-speed ferry business to transport customers from China and Hong Kong to Macao. LVSC sought to contract with a ferry services provider to operate the ferries. Under pressure from the LVSC President, LVSC employees selected a recently-formed ferry company ("New Ferry") that was partially-owned by an older, Chinese state-owned ferry company ("Old Ferry"). The LVSC President stated in an email to an LVSC executive that the selection of New Ferry would be politically advantageous to LVSC.

38. The shareholders of New Ferry included Old Ferry and a shipping company ("Shipping") that was indirectly owned by the Consultant and the SOE Chairman. Given the contract values, due diligence was required on the respective entities and principals under LVSC's policies. While it was known that Old Ferry and Shipping owned New Ferry, due diligence was only done on Old Ferry, and in July 2007, two Hong Kong subsidiaries of LVSC signed a contract with New Ferry as Operator and Guarantor, respectively.

39. As part of its contract, each year New Ferry submitted a detailed budget which included a "Business Entertainment" line item that was divided into separate amounts for

business partners and for government officials. In 2010, SCL's internal audit department, Audit Services Group ("ASG"), concluded that New Ferry was spending the majority of the entertainment expense on government officials. In addition to providing meals to government officials, New Ferry gave them "red envelopes" containing cash around the Chinese New Year. New Ferry personnel told an SCL auditor that it was necessary to provide meals and entertainment to government officials to secure routes for the ferries. ASG failed to elevate this issue within the company.

40. LVSC had policies and procedures in place at VML regarding purchasing, but they were not enforced. Employees were able to use cash advances and expense reimbursements to circumvent those policies and procedures. For example, in September 2006, the LVSC President of Asian Development used a cash advance of approximately $28,000 from VML to pay for a topographic map of Hengqin. In another instance, in October 2006, he arranged a forum at the Great Hall of the People in Beijing. Afterward, he submitted a personal expense report for which he was reimbursed approximately $86,000.

41. In 2008, VML's professional service engagement controls did not require pre-hiring due diligence. Furthermore, LVSC did not require engagement letters with specific controls on professional service providers. For example, LVSC had no controls in place to ensure that legal engagements were consistent with the FCPA.

42. Beginning in March 2009, LVSC's policy regarding payments to outside counsel explicitly required the submission of original backup documentation when seeking reimbursement for expenses in excess of $100. This policy was not uniformly enforced. For example, in September 2009, an outside counsel ("Attorney") submitted a bill to VML for "Expenses in Beijing," in the amount of approximately $25,000, but he provided no documentation to support the expenses and was nonetheless paid. Later, Attorney stated that he actually requested the funds on behalf of a friend who was an unpaid consultant to LVSC. This payment was recorded in the books and records as a reimbursement of legal expenses, despite the lack of documentation.

43. In its Macao casinos and hotels, LVSC provides complimentary items and services ("comps") such as restaurant meals and hotel stays to actual and potential gaming customers and business contacts. LVSC employees are allowed to give comps up to a certain amount, depending on their position in the company. Non-gaming comps required the approval of an LVSC vice president, and LVSC used players' names to determine whether comps were provided to players who actually earned them due to the amount they played.

44. During the relevant period, VML employees often failed to record the comp recipients' names, which resulted in an inability to track or audit comps. In particular, this precluded the identification of comp recipients who were government officials or Politically Exposed Persons ("PEPs").

Legal Standards and FCPA Violations

45. Under Section 21C(a) of the Exchange Act, the Commission may impose a cease-and-desist order upon any person who is violating, has violated, or is about to violate any provision of the Exchange Act or any rule or regulation thereunder, and upon any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation.

46. Under Section 13(b)(2)(A) of the Exchange Act, issuers are required to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the issuer. 15 U.S.C. § 78m(b)(2)(A).

47. Under Section 13(b)(2)(B) of the Exchange Act, issuers are required to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. 15 U.S.C. § 78m(b)(2)(B).

48. As a result of the conduct described above, LVSC violated Section 13(b)(2)(A) because its books and records did not, in reasonable detail, accurately and fairly reflect the purpose of the payments. LVSC violated Section 13(b)(2)(B) because it did not devise and maintain a reasonable system of internal accounting controls over operations in Macao and China to ensure that access to assets was permitted and that transactions were executed in accordance with management's authorization; in addition, that transactions were recorded as necessary to maintain accountability for assets, particularly with regard to the accounts payable process, the purchasing process, due diligence, and controls surrounding contracts.

LVSC's Cooperation and Remedial Efforts

In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by Respondent and cooperation afforded the Commission staff ("the Staff").

49. In connection with the investigation by the Staff, the LVSC Audit Committee retained outside counsel to conduct an internal investigation. The LVSC Audit Committee provided significant cooperation with the Commission's investigation by sharing in real-time the facts discovered during the course of its internal investigation and provided information that may not have been otherwise available to the Staff; facilitating the interviews of certain key foreign witnesses; voluntarily producing translations of key documents; and producing large volumes of business, financial, and accounting documents in response to requests.

50. LVSC undertook various remedial measures, including hiring a new general counsel and new heads of the internal audit and compliance functions. In addition, the company

established a new Board of Directors Compliance Committee and increased the compliance and accounting budgets. LVSC updated the Code of Business Conduct, the Anti-Corruption Policy, the guidelines regarding comps for government officials, and the SOE and expense policy. The company also developed and implemented enhanced anti-corruption training and an electronic procurement and contract management system. Furthermore, LVSC enhanced its screening of both third parties and new hires and its contracting process.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent LVSC's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent LVSC cease and desist from committing or causing any violations and any future violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rule 13b2-1 thereunder.

B. Respondent shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of $9,000,000 to the Securities and Exchange Commission. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. 3717. Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying LVSC as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Charles E. Cain, Deputy Chief of FCPA Unit, Division of Enforcement, Securities and Exchange Commission, 100 F St. NE, Washington, DC 20549.

C. Respondent shall comply with the following undertakings:

1. Retain an independent consultant (the "Independent Consultant") not unacceptable to the Staff within sixty (60) days after the issuance of this Order. Within thirty (30) calendar days after the issuance of this Order, Respondent shall recommend to the Staff three qualified candidates to serve as the Independent Consultant.

2. The Independent Consultant candidates shall have, at a minimum, the following qualifications: demonstrated expertise with respect to the FCPA, including experience counseling on FCPA issues; experience designing and/or reviewing corporate compliance policies, procedures, and internal controls, including FCPA-specific policies, procedures and internal controls; ability to access and deploy resources as necessary to discharge the Independent Consultant's duties as described herein; and independence from Respondent to ensure effective and impartial performance of the Independent Consultant's duties.

3. The Independent Consultant should not have provided legal, auditing, or other services to, or have had any affiliation with, the Respondent during the prior two years.

4. Respondent shall retain the Independent Consultant for a period of two (2) years from the date of engagement. Respondent shall exclusively bear all costs, including compensation and expenses, associated with the retention of the Independent Consultant.

5. To ensure the independence of the Independent Consultant, Respondent shall not have the authority to terminate the Independent Consultant without the prior written approval of the Staff.

6. The Independent Consultant's responsibility is to review and evaluate Respondent's internal controls, record-keeping and financial reporting policies and procedures ("Policies and Procedures") as they relate to its compliance with the books and records, internal accounting controls, and anti-bribery provisions of the FCPA ("the FCPA Policies") and to make recommendations. This review and evaluation shall include an assessment of the policies and procedures as actually implemented and how FCPA compliance fits within Respondent's ethics and compliance function. The Independent Consultant shall consider whether the ethics and compliance function has sufficient resources, authority, and independence, and provides sufficient training and guidance.

7. Respondent and the Independent Consultant shall agree that the Independent Consultant is an independent third-party and not an employee or agent of

the Respondent. In addition, Respondent and the Independent Consultant agree that no attorney-client relationship shall be formed between them.

8. Respondent shall require the Independent Consultant to enter into an agreement with Respondent providing that, for the period of engagement and for a period of two years from completion of the engagement, the Independent Consultant shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with Respondent, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such. Any firm with which the Independent Consultant is affiliated or of which he/she is a member, and any person engaged to assist the Independent Consultant in performance of his/her duties under this Order shall not, without prior written consent of the Staff, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Respondent, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two (2) years after the engagement.

9. Respondent shall require the Independent Consultant to prepare a written work plan and submit it to Respondent and the Staff for comment within thirty (30) days of commencing the engagement. The Respondent's comments shall be provided to the Independent Consultant no more than fifteen (15) calendar days after receipt of the written work plan. In order to conduct an effective initial review and to understand fully any existing deficiencies in policies, procedures, and internal controls related to the FCPA, including how FCPA compliance fits within Respondent's ethics and compliance function, the Independent Consultant's initial work plan shall include such steps as are reasonably necessary to develop an understanding of the facts and circumstances surrounding any violations that may have occurred and to assess the effectiveness of Respondent's existing policies, procedures, and internal controls that were designed to detect, deter, and prevent violations of the FCPA and of Respondent's ethics and compliance program. Any dispute between Respondent and the Independent Consultant with respect to the work plan shall be decided by the Staff.

10. Respondent shall cooperate fully with the Independent Consultant, and the Independent Consultant shall have the authority to take such reasonable steps as, in his or her view, may be necessary to be fully informed about Respondent's Policies and Procedures in accordance with the principles set forth herein and applicable law, including data protection, blocking statutes, and labor laws and regulations applicable to Respondent. To that end Respondent shall provide the Independent Consultant with access to all information, documents, records, facilities and/or employees, as requested by the Independent Consultant, that fall within the scope of the Independent

Consultant's responsibility, except as provided in this paragraph; and provide guidance on applicable laws (such as relevant data protection, blocking statutes, and labor laws).

11. In the event that Respondent seeks to withhold from the Independent Consultant access to information, documents, records, facilities and/or employees of Respondent that may be subject to a claim of attorney-client privilege or to the attorney work product doctrine, or where Respondent reasonably believes production would otherwise be inconsistent with applicable law, Respondent shall work cooperatively with the Independent Consultant to resolve the matter to the satisfaction of the Independent Consultant. If the matter cannot be resolved, at the request of the Independent Consultant, Respondent shall promptly provide written notice to the Independent Consultant and the Staff. Such notice shall include a general description of the nature of the information, documents, records, facilities and/or employees that are being withheld, as well as the basis for the claim. To the extent Respondent has provided information to the Staff in the course of the investigation leading to this action pursuant to a non-waiver of privilege agreement, Respondent and the Independent Consultant may agree to production of such information to the Independent Consultant pursuant to a similar non-waiver agreement.

12. Respondent shall require the Independent Consultant to issue a written report ("Report"), within six (6) months after being retained to review Respondent's Policies and Procedures: (a) summarizing its review and evaluation, and (b) if necessary, making recommendations based on its review and evaluation that are reasonably designed to improve Respondent's Policies and Procedures. Respondent shall require that the Independent Consultant provide the Report to the Board of Directors of Respondent and simultaneously transmit a copy to the Staff at the following address: Charles E. Cain, Deputy Chief of FCPA Unit, Division of Enforcement, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

13. Respondent shall adopt all recommendations in the Report within sixty (60) days of the issuance of the Report; provided, however, that, as to any recommendations that Respondent considers to be unduly burdensome, impractical, or costly, Respondent need not adopt the recommendations at that time, but may submit in writing to the Staff, within thirty (30) days of receiving the Report, an alternative policy or procedure designed to achieve the same objective or purpose. Respondent and the Independent Consultant shall attempt in good faith to reach an agreement relating to each recommendation Respondent considers unduly burdensome, impractical, or costly. In the event that Respondent and the Independent Consultant are unable to agree on an alternative proposal within thirty (30) days, Respondent will abide by the determinations of the Staff.

14. Within six (6) months of the issuance of the Report, Respondent shall implement all of Consultant's recommendations or agreed-upon alternatives.

15. Thirty (30) days after the Respondent completes the implementation, Respondent shall require the Independent Consultant to perform a follow-up review to confirm that Respondent has implemented the recommendations or agreed-upon alternatives and continued the application of the Policies and Procedures, and to deliver a supplemental report within thirty (30) days to the Board of Directors of Respondent and the Staff setting forth its conclusions and whether any further improvements should be implemented.

16. Respondent agrees that the Staff may extend any of the dates set forth above at its discretion.

17. Respondent shall certify, in writing, compliance with the undertaking(s) set forth above. The certification shall identify the undertaking(s), provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Staff may make reasonable requests for further evidence of compliance, and Respondent agrees to provide such evidence. Respondent shall submit the certification and supporting material to Charles E. Cain, Deputy Chief of FCPA Unit, Division of Enforcement, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertakings.

18. Respondent agrees that these undertakings shall be binding upon any acquirer or successor in interest to Respondent or substantially all of Respondent's assets and liabilities or business.

D. Respondent acknowledges that the Commission is not imposing a civil penalty in excess of $9,000,000 based upon its cooperation in a Commission investigation and related enforcement action. If at any time following the entry of the Order, the Division of Enforcement ("Division") obtains information indicating that Respondent knowingly provided materially false or misleading information or materials to the Commission or in a related proceeding, the Division may, at its sole discretion and with prior notice to the Respondent, petition the Commission to reopen this matter and seek an order directing that the Respondent pay an additional civil penalty. Respondent may contest by way of defense in any resulting administrative proceeding whether it

knowingly provided materially false or misleading information, but may not: (1) contest the findings in the Order; or (2) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

By the Commission.

Brent J. Fields
Secretary

United States Department of Justice

United States Attorney's Office
Central District of California

Kevin S. Rosenberg
Assistant United States Attorney
Deputy Chief, OCDETF Section
Phone: (213) 894-4849
Facsimile: (213) 894-0142

United States Courthouse
312 North Spring Street, 14th Floor
Los Angeles, California 90012

August 26, 2013

Mr. Laurence A. Urgenson
Kirkland & Ellis LLP
655 15th Street, NW, Suite 1200
Washington, DC 20005

Re: Las Vegas Sands Corp.

Dear Mr. Urgenson:

On the understandings specified below, the United States Attorney's Office for the Central District of California (the "USAO") agrees that, except as provided herein, it will not bring any criminal or civil case against the Las Vegas Sands Corp., a corporation organized under the laws of, and headquartered in, Nevada, or any of its present or former parents, subsidiaries, affiliates, officers, directors, employees, or agents (the "Company"), for any acts (except for criminal tax violations, as to which the USAO does not and cannot make any agreement) related to violations of 18 U.S.C. § 371: Conspiracy to Fail to File Suspicious Activity Reports by Casinos and 31 U.S.C. § 5318(a), 5322(a): Failure to File Suspicious Activity Reports by Casinos, based on the facts set forth in Attachment A (Statement of Facts) attached hereto, which is incorporated herein by reference, or relating to information disclosed by the Company to the USAO or known to the USAO prior to the date on which this Agreement was signed.

The USAO enters into this Non-Prosecution Agreement ("Agreement") based, in part, on the following factors: (a) the Company's voluntary and complete disclosure of the conduct, beginning in 2007 and continuing through the present; (b) the Company's extensive, thorough, and real-time cooperation with the Department of Justice and USAO, including conducting an internal investigation, voluntarily making current and former employees available for interviews, making voluntary document disclosures, and making multiple presentations to the USAO on the status and findings of the internal investigation; (c) the Company's extensive efforts (including efforts initiated by the Company prior to learning of the USAO's investigation) to enhance its Casino Suspicious Activity Report ("SARC") program and to significantly enhance its compliance and legal staff; (d) the positive actions taken by senior Company management in connection with the conduct set forth in Attachment A (engaging the Company's compliance and legal functions); and (e) the Company's agreement to provide written reports to the USAO on its further progress and experience in monitoring and enhancing its SARC program, as described in Attachment C (Reporting Requirements).

The Company and government agree not to make any public statement contradicting Attachment A. It is understood that the Company accepts and acknowledges responsibility for the conduct of its employees as set forth in Attachment A.

This Agreement does not provide any protection against prosecution for any conduct except as set forth above, and applies only to the Company and its present or former parents, subsidiaries, affiliates, officers, directors, employees, and agents as of the date of this Agreement, and not to any other entities or individuals. The Company expressly understands that the protections provided under this Agreement shall not apply to any acquirer or successor entity unless and until such acquirer or successor formally adopts and executes this Agreement.

For a period of two (2) years from the date that this Agreement is executed, the Company shall, subject to applicable laws and regulations: (a) cooperate fully with the USAO, the Drug Enforcement Administration ("DEA"), and any other law enforcement agency designated by the USAO regarding matters arising out of the conduct covered by this Agreement; (b) assist the USAO in any investigation or prosecution arising out of the conduct covered by this Agreement by providing logistical and technical support for any meeting, interview, grand jury proceeding, or any other trial or other court proceeding; (c) use its best efforts promptly to secure the attendance and truthful statements or testimony of any officer, director, agent, or employee of the Company at any meeting or interview or before the grand jury or at any trial or other court proceeding regarding matters arising out of the conduct covered by this Agreement; and (d) provide the USAO, upon request, all non-privileged information documents, records, or other tangible evidence located in the United States regarding matters arising out of the conduct covered by this Agreement about which the USAO or any designated law enforcement agency requires.

The Company's obligations under this Agreement shall have a term of two (2) years from the date that this Agreement is executed, except as specifically provided in the following paragraph. It is understood that for the two-year term of this Agreement, the Company shall: (a) commit no felony under U.S. federal law; (b) truthfully and completely disclose non-privileged information in response to USAO requests; and (c) bring to the USAO's attention all conduct by, or criminal investigations of, the Company, any of its employees, or its subsidiaries relating to any felony under U.S. federal law that come to the attention of the Company's senior management, as well as any administrative proceeding or civil action brought by any governmental authority that alleges fraud or corruption by or against the Company.

It is understood that the Company will continue to strengthen its already-enhanced SARC program, as set forth in Attachment B. It is further understood that the Company will report to the USAO regarding implementation of the further enhancements to its SARC program, as described in Attachment C.

It is understood that the Company has voluntarily agreed to return the sum of $47,400,300 to the United States Treasury, which represents funds accepted by the Company from or on behalf of Zhenli Ye Gon. The Company agrees to pay these sums to the United States Treasury within ten (10) days of executing this Agreement.

It is understood that, if the USAO determines that the Company has committed any felony under U.S. federal law after signing this Agreement, that the Company has deliberately given false, incomplete, or misleading testimony or information at any time in connection with this Agreement, or the Company otherwise has violated any provision of this Agreement, the Company shall thereafter be subject to prosecution for any violation of federal law which the USAO has knowledge, including perjury and obstruction of justice. Any such prosecution that is not time-barred by the applicable statute of limitations on the date that this Agreement is executed may be commenced against the Company, notwithstanding the expiration of the statute of limitations during the term of this Agreement plus one year. Thus, by signing this agreement, the Company agrees that the statute of limitations with respect to any prosecution that is not time-barred as of the date this Agreement is executed shall be tolled for the term of this Agreement plus one year.

It is understood that: (a) all statements made by the Company to the USAO or other designated law enforcement agents, including Attachment A hereto, and any testimony given by the Company before a grand jury or other tribunal, whether before or after the execution of this Agreement, and any leads from such statements or testimony, shall be admissible in evidence in any criminal proceeding brought against the Company; and (b) the Company shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom are inadmissible or should be suppressed. By signing this Agreement, the Company waives all rights in the foregoing respects.

In the event that the USAO determines that the Company has breached this Agreement, the USAO agrees to provide the Company with written notice of such breach prior to instituting any prosecution resulting from such breach. The Company shall, within thirty (30) days of receipt of such notice, have the opportunity to respond to the USAO in writing to explain the nature and circumstances of such breach, as well as the actions the Company has taken to address and remediate the situation, which explanation the USAO shall consider in determining whether to institute a prosecution.

It is further understood that this Agreement does not bind any federal, state, local, or foreign prosecuting, enforcement, administrative, or regulatory authority other than the USAO. The USAO will, however, bring the extensive cooperation and enhanced SARC program of the Company to the attention of other prosecuting and investigative offices, if requested by the Company.

It is further understood that the Company and the USAO may disclose this Agreement to the public. With respect to this matter, from the date of execution of this Agreement forward, this Agreement supersedes all prior, if any, understandings, promises and/or conditions between the USAO and the Company. No additional promises, agreements, or conditions have been entered into other than those set forth in this Agreement and none will be entered into unless in writing and signed by all parties.

Sincerely,

ANDRE BIROTTÉ, JR.
United States Attorney
Central District of California

ROBERT E. DUGDALE
Assistant United States Attorney
Chief, Criminal Division

KEVIN S. ROSENBERG
Assistant United States Attorney
Deputy Chief, Organized Crime
Drug Enforcement Task Force Section

I, the undersigned, am an officer as stated below and have authority to sign and bind the Las Vegas Sands Corp. On behalf of the Las Vegas Sands Corp. on whose behalf I am signing this agreement: I have read this Agreement carefully; I have discussed it fully with the attorney for the Las Vegas Sands Corp., Laurence A. Urgenson; I understand the terms of this Agreement; I

knowingly and voluntarily agree to these terms after a thorough discussion with Mr. Urgenson; I do so without force, threats, or coercion; no promises, representations, agreements, commitments, or inducements have been made except those set forth in this Agreement; and I am satisfied with the Las Vegas Sands Corp.'s attorney's representation in this matter.

AGREED AND CONSENTED TO: LAS VEGAS SANDS CORP.

Date: 26 August 2013

BY: [signature]
MICHAEL A. LEVEN
President, COO, and Secretary
Las Vegas Sands Corp.

Date: 26 August 2013

BY: [signature]
IRA H. RAPHAELSON
Executive Vice President
Global General Counsel
Las Vegas Sands Corp.

I have carefully reviewed and discussed this Agreement with my clients, the Las Vegas Sands Corp. To the best of my knowledge, they are officers of the Las Vegas Sands Corp. who are duly authorized to execute this Agreement on behalf of the Las Vegas Sands Corp. and that they are doing so knowingly and voluntarily.

APPROVED AS TO FORM:

Date: 26 August 2013

BY: [signature]
LAURENCE A. URGENSON
Kirkland & Ellis LLP

Attachment A
Statement of Facts

The following Statement of Facts is incorporated by reference as part of the Non-Prosecution Agreement, dated August 26, 2013, between the United States Attorney's Office for the Central District of California (the "USAO") and Las Vegas Sands Corp. ("LVSC"). The USAO and LVSC agree that the following facts are true and correct:

A. Background

LVSC/The Venetian and Palazzo

At all times relevant to this agreement:

1. LVSC was headquartered in Las Vegas, Nevada and incorporated in Nevada.

2. LVSC was in the business of destination properties (Integrated Resorts) that feature accommodations, gaming and entertainment, convention and exhibition facilities, celebrity chef restaurants, and many other amenities.

3. LVSC operated casinos in Las Vegas through the Venetian and the Palazzo ("Venetian-Palazzo").

4. The Venetian-Palazzo was licensed and regulated in the State of Nevada.

5. As part of their federal and state regulatory obligations, the Venetian-Palazzo maintained a compliance program that included responsibility within a compliance department for developing written policies, training, and monitoring of the Casino Suspicious Activity Report ("SARC") generation and submission processes by casino finance personnel. That program was understood by LVSC and Venetian-Palazzo senior management to meet or exceed applicable federal and state regulatory and legal standards and included industry-leading processes, such as background checks against the prohibited parties lists maintained by the Department of the Treasury, Office of Foreign Assets Control ("OFAC"), including its Narcotics Trafficking List, Specially Designated Nationals ("SDN") List, and Terrorist List.

B. Overview

6. The USAO believes that operations and compliance personnel at the Venetian-Palazzo, beginning on or about October 19, 2006, should have: (1) identified the financial transactions of Zhenli Ye Gon ("Ye Gon") related to his wire transferring of approximately $45 million and depositing of approximately $13 million in cashier's checks between February 2005 and continuing through March 2007 as suspicious within the meaning of the Bank Secrecy Act in advance of a March 16, 2007 newspaper report of the raid of his home in Mexico City; and (2) filed one or more SARCs against Ye Gon in addition to the SARC it filed in April of 2007.

7. The USAO also believes that after October 19, 2006 the compliance personnel at the Venetian-Palazzo did not:

a. adequately investigate Ye Gon, his respective companies, or his source(s) of funds;

b. conduct an appropriate deposit pattern analysis of incoming front money deposits and marker payments by Ye Gon and failed to understand and appreciate the layered manner in which Ye Gon wire transferred his funds;

c. attach appropriate suspicion, if any, to Ye Gon's use of multiple third-party fund sources;

d. attach appropriate suspicion, if any, to Ye Gon's use of multiple casas de cambios;

e. attach appropriate suspicion, if any, to the fact that the Venetian's internal due diligence investigations could not link Ye Gon to nearly all of the companies he professed to own and/or control which originated wire transfers of funds to the Venetian;

f. attach appropriate suspicion, if any, to Ye Gon making multiple wires on the same day or consecutive days, and his failing to identify himself on the wires as the beneficiary, which continued even after the Venetian expressed concern and the Venetian's Finance Department complained that it was difficult to associate certain wire transfers with Ye Gon's patron account;

g. attach appropriate suspicion, if any, to Ye Gon originating payments in Mexico and routing them through the Venetian's Hong Kong subsidiaries for final credit at the Venetian casino in Las Vegas;

h. conduct appropriate diligence into the reason for requests to use a non-casino-name account (which accounts are commonly used in the industry to protect patron privacy and which accounts have been approved for such use by some gaming regulators); or

i. attach appropriate suspicion, if any, to requests to use a non-casino-name account.

8. The Venetian-Palazzo believes that, at the time of the conduct described in this Statement of Facts, it complied with the requirements of the Bank Secrecy Act making good faith judgments based on the information available to it, including: due diligence by a major competitor, its own due diligence including database reviews that confirmed that Zhenli Ye Gon was not on any US government watch list and was being allowed into the US by the government; and in reliance on its compliance mechanism, which met or exceeded industry practice, as well as the advice of inside and outside counsel. The Company acknowledges that, in hindsight and upon full consideration of the evidence, some of which was known to some Company personnel, including some later developed by the USAO, the Venetian-Palazzo failed to fully appreciate the suspicious nature of the information or lack thereof pertaining to Ye Gon in the context of the

Venetian's evaluation of whether to file additional SARCs against him earlier and in retrospect should have filed SARCs earlier, and should have filed a more complete SARC when it did file one.

C. **Zhenli Ye Gon**

9. Zhenli Ye Gon was an established, high-stakes player who gambled at several major casinos, including the Venetian. Zhenli Ye Gon's total gaming losses at these multiple casinos between 2004 and 2007 exceeded $125 million, which included over $84 million in losses at the Venetian. Generally available, third-party, gaming records show that at least ten casinos in Atlantic City and Las Vegas expressed interest in Zhenli Ye Gon's patronage. During the relevant period, more than 100 inquiries were made about Zhenli Ye Gon by other casinos, including major competitors of LVSC where Zhenli Ye Gon had gambled tens of millions of dollars, in an effort to solicit his business.

10. In Ye Gon's credit application to the Venetian, he identified himself as the owner of Unimed Pharm Chem and stated that he was in the chemical business. The Company understood that the company Constructa E Inmobilaria was the construction company for or related to Unimed Pharm Chem. Ye Gon told Company employees and at least one other person that he was involved in the pharmaceutical business in Mexico or ran a medical equipment business in Mexico. By the end of 2006 or early 2007, Ye Gon became the largest all cash up front gambler the Venetian had ever had to that point.

11. Ye Gon wired transferred money to the Company from two different banks and seven different casas de cambio, each of which were located in Mexico. Ye Gon identified the wire originators on his wire transfers as Unimed Pharm Chem Mexico, Constructra E Inmobilaria. Ye Gon also identified the wire originators on his wire transfers as Comercial Enlace Internaccional, Hector Eduardo Fanghanel Fuente De La Luna, Inmorplus SA De CV,

Unimed Pharmaceutical, and Ernesto Caballero. The monies that Ye Gon sent through casas de cambio were deposited at those casas de cambio in United States currency, which was not visible to the Venetian-Palazzo on the related documentation. Ye Gon regularly sent multiple wire transfers from different casas de cambio in large amounts spread out over several days. Additionally, Ye Gon sent three of these wire transfers, which totaled over $1,500,000, from Mexican casas de cambio to a Company subsidiary in Hong Kong for transfer to Las Vegas. Many of Ye Gon's wire transfers lacked sufficient information to identify him as the intended beneficiary of the funds.

12. In March 2007, Zhenli Ye Gon's Mexico City, Mexico home was raided by police and law enforcement officers seized approximately $207 million in U.S. currency from the residence. Prior to the March 2007 raid, Zhenli Ye Gon was accepted as a legitimate businessman.

13. Upon learning of the raid on Zhenli Ye Gon's home on March 17, 2007 via a Los Angeles Times article, the General Counsel and Chief Compliance Officer of the Venetian-Palazzo, on behalf of LVSC management, reached out to both the Nevada Gaming Control Board and the United States Drug Enforcement Administration ("DEA") authorities that same day regarding Zhenli Ye Gon's patronage of the casino, to offer LVSC's full support and cooperation with state and federal investigative and enforcement efforts. Venetian General Counsel did not inform government authorities that the Venetian was holding over $4 million in funds received from Ye Gon, which the Venetian transferred to the general ledger in an effort to partially satisfy Ye Gon's debt after conferring with inside and outside counsel.

14. LVSC took immediate, affirmative, and voluntary action to investigate the facts and report them to the DEA in 2007 and cooperated extensively with local and federal law

enforcement authorities during the ensuing 2-year investigation and attempted prosecution of Zhenli Ye Gon in the District of Columbia.

15. In connection with Zhenli Ye Gon's patronage of the Venetian, management engaged the Venetian-Palazzo compliance program, relying upon Venetian-Palazzo compliance and inside counsel, as well as outside counsel. Insofar as LVSC's senior-most management understood, the compliance procedures in place met or exceeded industry practices and standards, met or exceeded federal and state legal and regulatory requirements, and its requirements were being adhered to by Venetian-Palazzo operational and compliance personnel. The Venetian was warned by at least one LVSC officer that receiving funds from a company which were then gambled and lost by an individual put the Venetian at risk of possibly having to return those funds if those funds were not lawfully obtained.

16. The Government has no evidence that anyone at LVSC or the Venetian-Palazzo had knowledge of Zhenli Ye Gon's alleged criminal activities prior to the March 2007 raid.

1. **Funds Received by Venetian-Palazzo**

17. During his patronage, Zhenli Ye Gon lost a total of $90,125,357 at Venetian-Palazzo. Of that total, $36,504,300 was a loss of credit advanced by the Venetian-Palazzo that was ultimately classified as bad debt and written off by Venetian-Palazzo after the March 2007 raid. During Ye Gon's time playing at the Venetian, he lost more than $50,000,000 that he had sent to the Venetian, of which $47,400,300 came after November 7, 2006. Ye Gon's losses at the casino tables were so extraordinary that the Venetian classified him as an "outlier" in company earnings graphs and charts. Ye Gon's losses were large enough to affect the bonuses of many LVSC and Venetian executives, including individuals involved in compliance. Ye Gon's individual bets were monitored in real time and they had an immediate effect on the Company's earnings.

18. Zhenli Ye Gon principally funded his play at Venetian-Palazzo via wire transfers and cashier's checks. Zhenli Ye Gon's wire transfers were deposited to four accounts:

a. Las Vegas Sands Inc.;

b. Venetian Marketing Inc.;

c. Interface Employee Leasing, and

d. Venetian Far East Limited.

19. To address patron privacy concerns, and after consultation with Venetian-Palazzo's in-house General Counsel and Chief Compliance Officer, as well as an outside counsel, certain of Zhenli Ye Gon's funds were transferred to an account that did not identify its association with a casino (Interface Employee Leasing). This account had never been used as a depository account by gamblers. It was a pre-existing aviation account used to pay pilots operating the Company's aircraft.

20. The majority of the wire transfers by Zhenli Ye Gon to Venetian-Palazzo were routed through Mexican currency exchange houses, or casas de cambios. While the Financial Crimes Enforcement Network ("FinCEN") had published an advisory regarding the potential use of such institutions for suspicious activity, none of the suspect mechanisms cited in that advisory resembled Zhenli Ye Gon's activity. Casas de cambios are "used legitimately to convert currencies and wire money both domestic and internationally." However, when used by individuals with access to the normal banking services, the activity may become suspicious, especially when an individual uses multiple such entities. Zhenli Ye Gon used seven different casas de cambios to wire money to the Venetian, sometimes using two or three different casas de cambios on the same day or consecutive days. While nearly all of Zhenli Ye Gon's wires were initiated by cash deposits to the casas de cambios in U.S. currency, this fact was not visible to the Venetian-Palazzo on the related documentation.

21. Venetian-Palazzo's internal booking of funds deposited by Zhenli Ye Gon -- from Venetian-Palazzo 's cage account into its general ledger account -- after Zhenli Ye Gon's arrest -- was also vetted with outside counsel by the Venetian-Palazzo's General Counsel and Chief Compliance Officer.

22. Consistent with its third-party check policies, certain of the funds originating from third-party corporate bank accounts were held for acceptance (or rejection) pending confirmation of Zhenli Ye Gon's beneficial interest in those businesses.

2. Casino Controls

23. Within the context of its then-existing controls system, Venetian-Palazzo vetted and approved Zhenli Ye Gon as a patron of the casino, before allowing him to gamble as follows:

a. Zhenli Ye Gon's gambling activities, including win and loss amounts, were reported by Venetian-Palazzo in real-time to Nevada gaming regulators.

b. In accordance with applicable state and federal regulations, Venetian-Palazzo accurately reported Zhenli Ye Gon's gambling on its books and records.

c. Over 40% of Zhenli Ye Gon's losses were accumulated in private gaming rooms where his gambling was subject to real-time video surveillance by Nevada gaming regulators.

d. Venetian-Palazzo verified Zhenli Ye Gon's government-issued identification, known credit history, and reputed business and financial standing.

e. Zhenli Ye Gon was also represented by an independent agent registered with Nevada gaming regulators and upon whom Venetian-Palazzo had previously conducted due diligence.

f. No indication of any link to criminal activity was seen when Zhenli Ye Gon and his associates were screened against OFAC's prohibited parties lists (including the Narcotics Trafficking, SDN, and Terrorist Lists) and other publically-available information.

24. On January 3, 2007, the Compliance Department instructed the Investigations Department to identify the ownership of the following companies: Unimed Pharm Chem Mexico DE CV, Constructora E Inmobiliaria Federal SA DE CV, and Comercial Enlace Internacional Mexico. The Investigations Department was unable to determine the ownership of these companies.

25. Between January 4, 2007 and January 5, 2007, the Compliance Department conducted Internet searches with the intent to determine if Zhenli Ye Gon owned Unimed Pharm Chem Mexico DE CV, Constructora E Inmobiliaria Federal SA DE CV, and/or Comercial Enlace Internacional Mexico. The results of those efforts were as follows:

a. Unimed Pharm Chem Mexico DE CV: Zhenli Ye Gon was listed on a contact information sheet for the company and was identified in a lawsuit against the company.

b. Constructora E Inmobiliaria Federal SA DE CV: Venetian-Palazzo had previously received wires on March 22, March 23, and March 28, 2005 that were originated by Constructora E Inmobiliaria Federal SA DE CV. These three wires listed Zhenli Ye Gon as the beneficiary. One wire had originally listed the Venetian-Palazzo depository account as the beneficiary; however, after wire instructions were re-sent by Venetian-Palazzo, Zhenli Ye Gon was ultimately listed as the beneficiary. These transactions were never disputed by any party.

No other information could be obtained that identified Zhenli Ye Gon as an owner or as being associated with this company.

c. Comercial Enlace Internacional Mexico: No information could be obtained that identified Zhenli Ye Gon as an owner or as being associated with this company.

d. Zhenli Ye Gon never represented on any of his multiple credit applications that, other than Unimed Pharm Chem, he had any affiliations with these companies listed as the originator on many of the wire transfers

26. Sometime before March 17, 2007, the Compliance Department reviewed the website of Eurofimex Casa De Cambio, S.A. de. The Compliance Department was able to pull from the website addresses and contact information for the company. The Compliance Department also noted that the website included information on services provided and company directors, none of which was negative. However, the company did not make these checks on the other six casas de cambios that sent wires that were credited to the Zhenli Ye Gon account.

27. Despite receiving over $18,000,000 in previous wire transfers for Ye Gon's benefit, the Venetian's Investigations Department was not assigned the task of identifying ownership interest in three companies that appeared as originators on Ye Gon's prior wire transfers, that is, Unimed, Constructora E Inmobiliaria, and Comercial Enlace Internacional, until January 3, 2007. Between January 4, 2007 and January 5, 2007, the Compliance Department reviewed the OFAC prohibited parties lists for both Zhenli Ye Gon and the following companies and organizations: Unimed Pharm Chem Mexico Sa De CV, Constructora E Inmobiliaria SA DE CV, Commercial Enlace International Mexico, and Eurofimex Casa De Cambio. None of the names appeared on the Narcotics Trafficking, SDN, or Terrorist Lists. Constructora E Inmobiliaria Urvalle CIA, LTDA, a Columbian entity, was listed on the Narcotics Trafficking list. Additional research was performed to determine whether any connection existed between

the two companies. No link was found between the two companies. Additionally, the Compliance Department determined that Constructora E Inmobiliaria is a common, generic name for a construction and real estate company.

28. A subsequent review of the OFAC prohibited parties lists was performed on March 7, 2007, for both Zhenli Ye Gon and the following companies, organizations, and individuals: Casa De Cambio Nuevo Leon, Inmorplus Sa De CV, Consultoria Internacional Case De Cambio, Ernesto Caballero, and Hector Eduardo Fanghanel. None of the names appeared on the Narcotics Trafficking, SDN, or Terrorist lists.

29. The Compliance Department performed additional due diligence by reviewing the Credit Department's files. These files included the following:

a. November 2, 2006 Credit Recommendation Letter from a Venetian employee and officer;

b. November 11, 2006 Credit Establishment Affidavit;

c. Multiple Central Credit, LLC reports; and

d. Nevada Gaming Control Board-registered Independent Agent (Lawrence Lee) file.

30. In or before approximately December 2006, the Compliance Department conducted a process-related review of Cashier Checks and Credit Procedures.

31. Throughout Venetian-Palazzo's relationship with Zhenli Ye Gon, records of his play were maintained in compliance with federal Title 31 and corresponding Nevada gaming requirements.

32. Prior to the March 2007 raid, Venetian-Palazzo was advised by a former employee of another prominent Las Vegas resort ("Resort A") that representatives of Resort A had traveled to Mexico to market Resort A's products and also to collect an outstanding debt

from Zhenli Ye Gon, a patron. During that discussion, Resort A's employee stated to LVSC that Resort A's representatives had visited Zhenli Ye Gon at his Mexico City, Mexico residence and had toured a pharmaceutical company purportedly owned by Zhenli Ye Gon. Resort A's employee informed Venetian-Palazzo that Resort A's representatives made no negative findings in connection with this visit or Zhenli Ye Gon generally. Resort A was among the several major casinos that continued to court Zhenli Ye Gon as a customer during his play at Venetian-Palazzo. The Venetian did not investigate further as to why such a purportedly large pharmaceutical company had no internet web page, internet citations, or internet "footprint."

33. The USAO has developed evidence establishing the following facts, some of which LVSC and Venetian executives were aware:

a. In December 2006 or January 2007, Ye Gon met with casino employees to discuss the manner in which the wire transfers were coming into the casino. According to a witness who was present at the meeting, the casino was having difficulty processing the volume of the wire transfers and the fact that the transfers had several different originators and beneficiaries listed. The manner in which these transactions were coming in made it difficult for the casino to figure out which player account to credit the money to. When casino personnel asked Ye Gon to wire the money in larger lump sums, as opposed to breaking it up incrementally, and use consistent listed beneficiaries, Ye Gon stated that he preferred to wire the money incrementally because he did not want the government to know about these transfers. Another Company executive who was not present at the meeting understood that Ye Gon was superstitious about sending large amounts of money to the Venetian at one time for fear of losing all the money at once.

b. In a January 4, 2007 memo, the Venetian's Senior Director of Finance directed the Venetian's Compliance Officer, Vice President of Gaming Operations, Controller, and Operations Controller to immediately use new procedures to safeguard funds received from customers. In the case of incoming wires without beneficiary information: within 48 hours, if they got a reply for beneficiary of funds, the Venetian could disclose the funds to the cage. Otherwise, unidentified wires were to be returned after 48 hours. However, the Venetian did not follow this policy many times regarding Ye Gon. Venetian wire transfer summaries for October 23, 2006 through March 12, 2007 reflect over $2 million in funds from Ye Gon that were "waiting for receipts" and that were not returned per this policy.

c. Furthermore, in a February 3, 2007 e-mail from the Venetian's General Counsel to the Venetian's Senior Director of Finance, Compliance Officer, and the LVSC Chief Financial Officer, the General Counsel authorized Ye Gon to send money to IEL "one time." However, Ye Gon wired money to IEL 15 times total between February 12 and March 16, 2007 for about $5.2 million. In another e-mail that day, the Venetian's Senior Director of Finance outlined procedures for handling Ye Gon's wire transfers that included ensuring the link between the originator identified on the wire transfer and Ye Gon was not broken by routing funds through IEL. However, as noted above, the Venetian's Investigation Department could not identify the link Ye Gon and Commercial Enlace, Mr. Cabellero, Hector Fanghanel, or Inmorplus, and it accepted numerous wire transfers from these originators.

d. Venetian executives had operational meetings where they discussed how Ye Gon's presence at the Venetian was very good financially because he gambled

and lost substantial amounts of money they already had on account. Ye Gon's losses were large enough to significantly affect the Company's profitability. Meetings took place among Venetian executives where they discussed how Ye Gon had become such a large gambler in a relatively short period of time and discussed his source of funds.

3. Venetian-Palazzo's Currency Transactions Reporting

34. Venetian-Palazzo filed eleven currency transaction reports ("CTRs") relating to Zhenli Ye Gon's transactions prior to the March 2007 raid, all for amounts less than $100,000.

4. Venetian-Palazzo's Suspicious Activity Reporting

35. On April 18, 2007, the Venetian-Palazzo filed a SARC with FinCEN relating to Zhenli Ye Gon's transactions. The report did not describe approximately $4.2 million on deposit by Zhenli Ye Gon that was later taken by Venetian-Palazzo as a credit against the approximately $40 million Zhenli Ye Gon owed Venetian-Palazzo at the time of the filing, upon advice of inside and outside counsel. The filed SARC also did not disclose:

a. that Ye Gon had lost over $90 million dollars.

b. that Ye Gon used Mexican casa de cambios to transfer in over 90% of the money received by the Venetian.

c. that Ye Gon had told the Venetian that he preferred the government not know about his transfers.

d. that the Venetian had accommodated Zhenli Ye Gon by making an account of a subsidiary not involved in gaming available to Zhenli Ye Gon for his use.

e. the nature of the wire transfers such as their origination by companies and individuals not obviously connected to Zhenli Ye Gon and his use of multiple

casas de cambios, the use of multiple wire transfers on the same or consecutive days, as well as his failure to identify himself on the wires as the beneficiary.

Attachment B
Compliance Enhancements

In addition to the enhancements the Las Vegas Sands Corp. has already made to its compliance program as described in the Non-Prosecution Agreement ("Agreement") and Statement of Facts, the Company agrees that it has or will undertake the following:

Board of Directors and Compliance Officers/Personnel

1. The Company will maintain an overall compliance structure, consistent with gaming license requirements, that includes oversight by an independent Committee of the Board of Directors with direct oversight of the Company's Chief Compliance Officer ("CCO") and the Compliance Program. This Committee will be responsible for ensuring that the Company is in compliance with all aspects of this Agreement. All reports submitted as a part of this Agreement shall be sent under the cover of the CCO and copied to this Committee.

2. The Company has engaged executives with extensive law-enforcement and/or compliance backgrounds as Chief Compliance Officers for each country of operation.

3. The Company will report the increases/enhancements to its compliance staffing using December 31, 2011 as a baseline.

Executive Review and Bonus Structure

4. The Company will formalize and incorporate anti-money laundering and BSA compliance performance as a bonus qualification and implement clawback provisions for bonuses later determined to have contributed to compliance failures for personnel in casino sales, casino cage, casino credit, and relevant personnel in surveillance, security, compliance and finance, as well as those with management oversight over the foregoing.

Know Your Customer

5. As required by the BSA and/or regulation(s), the Company will maintain Know Your Customer guidelines and controls in order to detect and prevent the laundering of criminally derived funds or other illegal financial activity through the Company. These

guidelines and controls will be risk-based for high-volume credit and/or cash customers and include: collection, validation, and analysis of basic identity and source of funds information including verifying the customer's link to any entity transferring funds on the customer's behalf; name matching against lists of known parties (such as politically exposed persons); reviews of both front-money/marker payments and play patterns for SARC-reporting requirements; and an examination of whether the customer's transaction had a business or apparent lawful purpose or was the sort in which the particular customer would normally be expected to engage.

Suspicious Activity Reports and Internal Audit

6. The Company will continue to follow all laws and regulations concerning the filing of Suspicious Activity Reports for Casinos ("SARCs") in the United States for any suspicious activity, as defined by the Bank Secrecy Act and its implementing regulations, including suspicious activity identified by the Company that starts, ends, or passes through the United States.

7. The Company will continue to assign responsibility for monitoring of SARC processes to specific compliance and surveillance personnel.

8. The Company will continue to periodically update training of relevant personnel on risk-based parameters for SARCs.

9. The Company will continue to periodically train casino finance personnel to aggregate all internal information in SARC recommendation process.

10. The Company will maintain its reconfigured SARC Committee to include the CCO.

11. The Company will increase training for and upgrade staffing of its Internal Audit Group to verify the efficacy of enhancements discussed herein.

Generic Accounts

12. The Company will prohibit the use of neutral name accounts.

Attachment C
Reporting Requirements

1. Las Vegas Sands Corp. (the "Company") has implemented significant voluntary enhancements to its Casino Suspicious Activity Report ("SARC") program. As provided in Attachment B, the Company agrees to continue to implement such measures that, at a minimum, support a finding that no material deficiencies exist therein based upon a Bank Secrecy Act ("BSA") compliance review of the Company, which must occur prior to the termination date of the Agreement. Otherwise, the Non-Prosecution Agreement ("Agreement") will be automatically extended until the soonest examination or another reliable report can be reviewed.

2. During the two-year period covered by the Agreement, the Company shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least three (3) follow-up reviews and reports to be submitted by the Company's CCO as described below:

a. By no later than 180 days from the date this Agreement is executed, the Company shall submit to the USAO a written report setting forth a complete description of the Company's internal controls, policies, and procedures for ensuring compliance with the BSA and other applicable anti-money laundering laws comparing same to a baseline of December 31, 2011; and the proposed scope of the subsequent reviews. The report will also memorialize the fact that the Company's CCO (1) has reviewed the commitments contained in this Agreement; (2) has made inquiries with relevant Company personnel, including the responsible heads of internal audit and operations; and (3) based on those inquiries, can attest that the Company has taken substantial steps to fully comply with the commitments contained in Attachment B. The report and subsequent reports shall be transmitted to Chief, OCDETF Unit, U.S. Attorney's Office, Central District of California, 312 N. Spring Street, 1400 U.S. Courthouse, Los

Angeles, CA 90012. The Company may extend the time period for issuance of the report with prior written approval of the USAO.

b. The Company shall undertake at least three (3) follow-up reviews, incorporating the USAO's comments on the Company's prior reviews and reports, to further monitor and assess whether the Company's policies and procedures are reasonably designed to detect and prevent violations of the BSA and other applicable anti-money laundering laws.

c. The first follow-up review and report shall be completed by no later than 180 days after the initial review. Each follow-up review and report shall be completed by no later than 180 days after the completion of the preceding follow-up review.

d. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation and impede pending or potential government investigations and, thus, undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing or is otherwise provided by law.

e. The Company may extend the time period for submission of any of the follow-up reports with prior written approval of the USAO.

3. During the pendency of this Agreement, with regard to patron activity beginning, ending, or passing through the United States, the USAO, upon request, may inspect the Company's casino, compliance, marketing, or finance records located in the United States and the Company will provide the USAO any requested records casino, compliance, marketing, or finance records located in the United States with seven business days of the request; and every

120 days the Company will provide the USAO with a copy of casino or finance "Credit Issuance/Collections Reports" located in the United States to the same addressee as initial and subsequent reports provided above.

4. Prior to the termination of the Agreement, the Company's CCO must provide the USAO with a certification that the Company is operating according to the best practices of SARC reporting compliance and, if not, what steps are being taken to reach best practices, including reporting what has been done during the preceding period to implement and strengthen the Company's SARC reporting program and what steps are planned to continue to improve the program.